



# KING COUNTY GOVERNANCE REFORM PROGRESS REPORT

*An Independent Review*

*Performed by Lund Consulting, Inc.*

FALL 2005

# INDEPENDENT REVIEW

In April 2005, the King County Council retained Lund Consulting, Inc. to perform an independent analysis of how King County government responded to recommendations made by the King County Commission on Governance and the Budget Advisory Task Force.

Lund Consulting, Inc. obtained copies of the completed studies by the citizen committees and prepared a matrix of all recommendations. Lund then grouped the recommendations by subject area and interviewed county staff about actions taken in response to the recommendations. After completing the interviews, Lund obtained copies of documents that supported the responses provided by the interviewed staff. Lund reviewed those documents and compared the data contained in those documents to past performance records of King County to independently verify information. Lund also reviewed related reports prepared by the King County Auditor.

Kjristine Lund is the principal in charge of Lund Consulting, Inc., a management and communications firm that has conducted independent performance reviews for the State of Washington, cities, and non-profit organizations since 1990.

A separate appendix that assesses the status of all 130-citizen task force recommendations is available on King County’s website:

[www.metrokc.gov/council/governance](http://www.metrokc.gov/council/governance)

## KEY PERFORMANCE INDICATORS

The County has made significant progress in reducing its General Fund structural gap.	
2003 budget shortfall	\$52 million
<b>2006 budget shortfall</b>	<b>\$11 million</b>
Growth in cost of services 1997 – 1999	8-9%
<b>Growth in cost of services 2005-2007</b>	<b>4-5%</b>
Property tax revenue growth 1997-1999	7-8%
<b>Property tax revenue growth 2003-2005</b>	<b>3%</b>
The County has reduced the gap largely through improvements to its criminal justice system:	
Adult jail population	20% reduction since 2000 (Annual savings: \$2 million)
Juvenile detention population	29% reduction since 2000 (Annual savings: \$2 million)
King County Government Bond rating	AA+ (Standard & Poor's) Aa1 (Moody's)

# GOVERNANCE REFORM PROGRESS REPORT

King County government is undergoing a major transformation in the way it does business and in how it responds to citizen needs. Two citizen task forces appointed by the County Council and King County Executive between 2003 and 2004 made 130 recommendations for reform to help King County respond to a fiscal crisis. This crisis was brought about by major changes in the economy, a shifting of resources and responsibilities as a result of federal and state action (unfunded mandates), as well as fiscal consequences of local annexations and incorporations, and citizen initiatives to limit the growth in property taxes.

The fiscal crisis predicted in 2003 showed King County facing a structural deficit (revenue growth less than the cost of maintaining existing services) of \$18-\$25 million annually in its General Fund. The County Council commissioned a citizen Commission on Governance (COG) in March 2003 to consider how King County should provide services, given its fiscal challenges. This commission issued 91 recommendations in March 2004.

King County Executive Ron Sims commissioned a citizen task force in

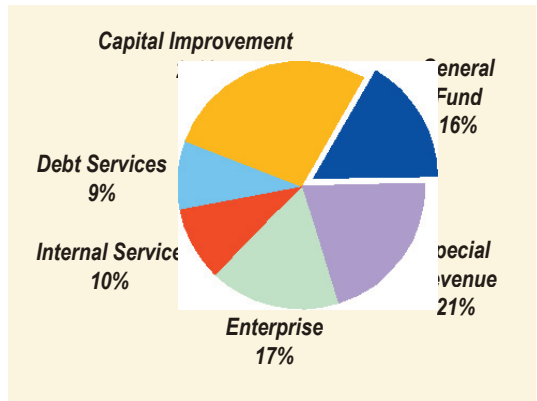
November 2002 with the purpose of helping chart a future for King County in the face of multi-million-dollar annual shortfalls in the General Fund budget. This task force, the Budget Advisory Task Force (BATF), made 39 recommendations in June 2003.

By the summer of 2005, King County had taken decisive action to implement or initiate nearly all of the recommendations. These actions are ongoing and will require consistent monitoring to stay responsive to a changing environment.

The county has reduced its expenditures on discretionary programs, increased state and federal revenue support, increased charges for contract services, and increased user fees such as permits and licenses to balance the General Fund. To achieve this outcome, King County used innovative tools such as benchmarking, operational master plans, evaluations, and performance measures. On the following pages, a summary of the citizen groups' key recommendations is provided, along with independent findings about King County's response.

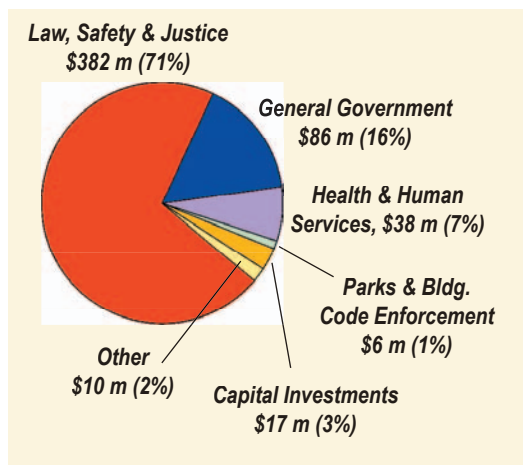
## ***Adopted 2005 King County Total Budget Expenditures \$3.4 billion***

More than three-quarters of the county budget is dedicated by law to specific programs. These “dedicated funds” cannot be used for other purposes. Examples of services funded by dedicated funds are: capital improvements (acquisition of open space, expanding the Metro bus fleet); enterprise funds (operating budgets for Solid Waste, Metro Transit, Wastewater, King County Airport); special revenue funds (state and federal programs, such as Veterans’ services, mental health, and special levies for county roads and Emergency Medical Services); debt service (payments for voter-approved and other bonds); internal service funds (centralized payments for employee benefits, information technology, facilities, finance, and workers’ compensation).



## ***King County General Fund Expenditures \$539 million in 2005***

The county’s General Fund supports the day-to-day operations of county services that are not paid for by dedicated revenues. Over 70% percent of the General Fund is devoted to law, safety, and justice (jail, Sheriff’s office, courts, prosecuting attorney, and public defense). The remaining 29% is directed to health & human service programs, regional parks and local land use, and other critical general government services ranging from elections to property records.



## BUDGET AND FINANCE



### CITIZEN RECOMMENDATION

Budget and finance policies, procedures, and monitoring provide the discipline and structure to guide actions by all agencies of county government. Efficiency, accountability, and transparency are the themes for the reform recommendations in this subject area.

- Charge user fees and ensure full cost recovery on contracts to generate revenue efficiently.
- Make greater use of the county's most innovative management tools, such as benchmarks, operational master plans, and performance measures.
- Seek state and federal funds to pay for mandates.
- Increase public understanding about the need and use of public funds.

### KING COUNTY RESPONSE

**King County** acted on all of these recommendations.

- The county has prioritized its functions and has dropped some lines of business.
- The growth in the General Fund budget has been dramatically reduced from a high of 9% in 2001 to a current projected growth rate of a manageable 4-5%.
- The county is using benchmarks and performance measures to manage its budget and ensure positive outcomes.

Information is readily available to the public on King County's website:

[www.metrokc.gov/exec/perform](http://www.metrokc.gov/exec/perform)



# EMPLOYMENT

## CITIZEN RECOMMENDATION

Unions represent approximately 80% of King County's employees. When King County and Metro merged, two distinctly different employment systems were brought together under one governmental entity.

- Create more standardization in the employment system by using benchmarks to guide salary and benefit levels.
- Use creativity and flexibility to ensure labor agreements include incentives for employee efficiency and cost savings opportunities.

## KING COUNTY RESPONSE

**King County** acted on all of these recommendations.

- The Healthy Workplace Initiative is a model program that encourages



and rewards employee responsibility for their healthcare costs.

- The county benchmarks salaries to the market and sets wage levels within 5% of those market rates. Doing so saves public funds by avoiding the inefficiency and costs of high employee turnover.
- King County labor agreements affect 80% of the county workforce. The county has successfully worked with some represented employee groups to create savings through productivity incentives that benefit the public and employees.

For more information visit:

[www.metrokc.gov/employees/](http://www.metrokc.gov/employees/)



# EXECUTIVE ADMINISTRATION & SERVICE DELIVERY

## CITIZEN RECOMMENDATION

- Invest in technology now that would help unify personnel, accounting, budgeting, and other administrative functions.
- Invest in technology to improve reliability and efficiency in service delivery areas, such as elections, property management, and jail medical records.



## KING COUNTY RESPONSE

**King County** acted on all of these recommendations.

- The county is implementing 102 small and large technology projects with combined budgets of \$162 million.

- The county is moving forward systematically and carefully to implement single payroll, human resource, core financial and budget systems. Implementation will begin in 2007.

For more information visit:

[www.metrokc.gov/dias](http://www.metrokc.gov/dias)



# PARKS

## CITIZEN RECOMMENDATION

The budget crisis for the parks system alerted many citizens to how the role of the county is changing. The Metropolitan Parks Task Force issued recommendations in June of 2002, designed to restore stability to the parks system that was facing drastic cuts due to the county's General Fund budget crisis. The recommendations included:

- Implement new funding initiatives.
- Change state law so parks located within annexation or incorporation areas become the responsibility of cities upon annexation or incorporation.
- Seek state law changes to broaden the uses of the Real Estate Excise Tax to include parks operations, not just capital.

## KING COUNTY RESPONSE

**King County** acted affirmatively on all of these recommendations.

- While King County sought state law changes to require cities to accept parks upon annexation or incorporation, legislation approving this change has not yet been adopted. Also, changes to broaden the uses of the Real Estate Excise Tax have not yet been adopted by the state legislature.
- New entrepreneurial funding initiatives are in place and others are underway with King County Parks and can be reviewed at:

<http://dnr.metrokc.gov/parks/transition-plan>





# CRIMINAL JUSTICE



## CITIZEN RECOMMENDATION

King County provides criminal justice services to cities, rural areas, and urban unincorporated areas. These services include the sheriff's office, courts, prosecutor, public defender, and adult and juvenile detention. Over time, this responsibility has grown with the county's population, new laws, and sentencing guidelines. Law, safety and justice costs comprise 70% of the county's General Fund.

- Take a proactive role in early intervention and consider the drivers of crime and incarceration.
- Improve coordination between booking and the courts; and between the state, county, and cities in the processing of offenders and in the roles of the various courts, including how fees are set.

## KING COUNTY RESPONSE

**King County** acted on all of these recommendations.

- The county's work on the Adult Justice Operational Master Plan is resulting in positive outcomes, such as the 20% reduction in the adult jail population over four years. This is significantly less than the 36% growth that had been forecast.
- Annual savings are expected to be \$2 million per year.
- The Juvenile Justice Operation Master Plan has resulted in a 29% reduction of incarcerated youth since 2000, and lower recidivism rates.
- These reductions have been accomplished without affecting public safety.

*(continued on following page)*

## CRIMINAL JUSTICE (CONT'D)



### KING COUNTY RESPONSE *(continued)*

- The county is implementing a technology project to centralize computer systems among the law and justice agencies that is estimated to save \$17.8 million over 10 years.
  - Stabilizing the lives of offenders through stable housing, appropriate treatment, education, and employment is proving effective at breaking the cycle of crime, and the county is measuring these results to ensure accountability and a return on the investments.
  - These positive outcomes can be attributed to the successful collaboration among the broad spectrum of entities involved in the criminal justice system.
  - By working together, intervention, community programs, and coordinated booking and court processes have resulted in measurable and dramatic improvements.
- For more information visit:  
[www.metrokc.gov/dad](http://www.metrokc.gov/dad)

# COURTS

## CITIZEN RECOMMENDATION

The courts in King County include Superior and District Courts. Recommendations focus on consolidation and cost recovery.

- Consolidate court facilities.
- Share costs in an effort to reduce the overall financial cost.
- Institute new fees.
- Improve administrative efficiencies.

## KING COUNTY RESPONSE

**King County** acted on these recommendations with a District Court operational master plan in partnership with cities.

- The county's work addresses coordination with the Superior and District Courts.
- The state legislature approved some changes in court fees, but some of the court issues remain to be addressed in upcoming legislative sessions.

For more information visit:

[www.metrokc.gov/kcdcplan/dcompfmp.htm](http://www.metrokc.gov/kcdcplan/dcompfmp.htm)



## HEALTH & HUMAN SERVICES



### CITIZEN RECOMMENDATION

The citizen task forces recommended a system-wide approach to determining roles and responsibilities for human services.

- Use prevention and intervention to reduce the need for and cost of services in the long run.
- Continue public health funding.

### KING COUNTY RESPONSE

**King County** acted affirmatively on these recommendations.

- The county created the Task Force on Regional Human Services that has brought more specific recommendations forward.
- The county is undertaking an operational master plan to assure continued improvement and support for public health.

- The 2003-05 state biennium budget included \$20 million for the Seattle King County Public Health Department.
- The 2005-07 state budget included \$80 million in funding to avert a crisis in the face of federal Medicaid cuts.
- King County is a lead partner in a coalition of public and private entities that has formed the Committee to End Homelessness. The committee will make recommendations to local governments on how to better utilize existing resources, improve current policies, and develop new approaches to ending homelessness in the county.

For more information visit:

[www.metrokc.gov/exec/tfrhs](http://www.metrokc.gov/exec/tfrhs) and [www.cehkc.org](http://www.cehkc.org)

# ANNEXATIONS & INCORPORATIONS

## CITIZEN RECOMMENDATION

King County's Countywide Planning Policies were updated in June 2005. They include policy direction to require annexations and incorporations of unincorporated areas within the urban growth boundary. Both citizen task forces support the intent of the Countywide Planning Policies and they recommend actions the county should take to implement the policies.

## KING COUNTY RESPONSE

**King County** has pursued the recommendations of the citizen task forces.

- In 2004, the County embarked on the Annexation Initiative, with the objective of accelerating the pace of

annexation and incorporations for the ten remaining major urban areas in unincorporated King County.

- Pending annexations include Klahanie and South Cove to the City of Issaquah (citizen approval required in November 2005 election).
- In addition, the County is working actively to promote annexation and incorporation in North Highline, West Hill, East Renton, Fairwood and Juanita/Kingsgate/Finn Hill.

For more information visit:

[www.metrokc.gov/exec/annexinit](http://www.metrokc.gov/exec/annexinit)





# GOVERNANCE STRUCTURE

## CITIZEN RECOMMENDATION

- Reconsider the Executive-Council form of government and compare it to a “city-manager” model.
- Change the Sheriff from an elected to an appointed position.
- Change the Auditor and Elections Director from appointed to elected positions.
- Consider nonpartisan offices.

## KING COUNTY RESPONSE

These recommendations were made prior to the 2004 general election when voters approved reducing the

size of the King County Council from 13 to 9 members.

- The council’s budget has been reduced by \$2.3 million.
- The County Council is now reviewing options for structural changes to county government. Over 130 positions have been cut since 2002, and \$12 million in efficiency savings have been achieved in the General Fund.
- The recommendations related to King County’s form of government are potential topics for the next charter review scheduled for 2006.

For more information visit:

[www.metrokc.gov/exec/charter](http://www.metrokc.gov/exec/charter)



## KEY DEMOGRAPHIC INDICATORS

Total population, 2004	1,788,300
Population growth 1980-2000	+467,115
Population forecast for 2010	+44,700 to 67,700
Total housing units, 2000 Census	742,237
Total jobs, 2002	1,155,525

For news and information about King County government, watch King County Television: Comcast Cable Channel 22, Millennium Cable Channel 72/80.

# KING COUNTY FACTS

Within King County's 2,134 square miles, almost 1.8 million people live in 39 cities and large unincorporated areas. King County's 2005 budget is \$3.39 billion. With those funds, the county provides regional services such as criminal justice, county roads, Metro Transit bus services, wastewater treatment, solid waste management, public health and human services, regional parks, and records, elections & licensing. King County provides local government services to urban and rural unincorporated areas and also provides contracted services to many of its 39 cities. The citizen task force recommendations did not apply to all King County services, only to those featured in this booklet. Listed below are examples of county services.

## REGIONAL SERVICES:

Adult Detention for Felons  
Juvenile Detention & Youth & Family Programs  
Juvenile & Felony Prosecution  
Superior Court & Judicial Administration  
District Court: Civil, Small Claims, Domestic Violence  
Public Defense for Felons & Juveniles  
Sheriff Regional Resources  
Medical Examiner  
Assessor  
Treasury for Taxing Jurisdictions Other than Cities  
Boundary Review Board  
Records and Elections  
Public Health  
Mental Health  
Alcoholism and Substance Abuse Programs  
Domestic Violence and Sexual Assault Services  
Emergency Planning & Preparedness  
E-911  
Homelessness Services and Affordable Housing  
Emergency Medical Services (Medic One)

Work Training  
King County Airport  
Regional Parks  
Veterans Services  
Wastewater Treatment  
Surface Water Management

## LOCAL UNINCORPORATED AREA SERVICES:

Local Government Functions  
Senior Services  
Children and Family Services  
Playgrounds and Parks in Urban Unincorporated Areas  
Animal Control  
Code Enforcement and Land Use  
Sheriff Local Police Services  
District Court Municipal Services  
Public Defense for Misdemeanants  
Misdemeanant Prosecution

## CONTRACT SERVICES:

King County provides a variety of services to cities on a contract basis beyond regional and local services, e.g. Sheriff and District Court

**King County Courthouse**  
**516 Third Avenue**

**Room 1200**

**Seattle, WA 98104**

**(206) 296-1000**

**TTY/TTD (206) 296-1024**

Larry Phillips, District 4, Council Chair

Pete von Reichbauer, District 7, Vice Chair

Carolyn Edmonds, District 1

Bob Ferguson, District 2

Kathy Lambert, District 3

Dwight Pelz, District 5

Reagan Dunn, District 6

Dow Constantine, District 8

Steve Hammond, District 9

Larry Gossett, District 10

Jane Hague, District 11

David Irons, District 12

Julia Patterson, District 13

King County Executive Ron Sims

King County Prosecuting Attorney Norm Maleng

King County Assessor Scott Noble

King County Sheriff Sue Rahr

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